Resources and Governance Scrutiny Committee

Minutes of the meeting held on Tuesday, 5 November 2019

Present:
Councillor Russell (Chair) – in the Chair
Councillors Ahmed Ali, Andrews, Clay, Davies, Lanchbury, Moore, B Priest, A Simcock, Stanton, Wheeler and Wright

Also present:
Councillor Leese, Leader
Councillor N Murphy, Deputy Leader
Councillor Ollerhead, Executive Member for Finance and Human Resources
Councillor Stogia, Executive Member for Environment, Planning and Transport

Apologies: Councillor Battle and Rowles

RGSC/19/60 Minutes

Decision

To approve the minutes of the meeting held on the 8 October 2019 as a correct record.

RGSC/19/61 Minutes of the Human Resources Sub Group

Decision

To note the minutes of the meeting held on the 15 October 2019 as a correct record.

RGSC/19/62 Annual Property Report 2018/19

The Committee considered a report of the Strategic Director (Growth and Development), which provided an update on property activity since November 2018. The report reviewed activity across in Development and the Investment, Operational and Heritage estates. The report also included an update on the Council's Asset Management Strategy and governance of land transfers and Community Asset Transfers (CAT).

The main points and themes within the report included:-

- The delivery and operation of the Council's Digital assets which included The Sharp Project, Space Studios Manchester and Arbeta (previously One Central Park);
- The on-going development of Manchester Airport and Enterprise Zone;
- The development of City Centre schemes involving Council assets which included First Street, Jacksons Row/Bootle Street, St Johns, Heron House, Mayfield Regeneration Area, Circle Square, Portugal Street East and Bridge Street and Kendals;

- Details of other commercial and employment development, including Central Retail Park, Didsbury Technology Park, Central Park and New Smithfield Market;
- Work with Strategic Housing, Planning and other partners to deliver the Council's objectives for Housing;
- Involvement in a range of initiatives to improve the quality and offer in district centres
- Property input in relation to leisure, sport and education provision;
- The management of a programme of strategic acquisitions
- Income from the Council's investment estate, particularly from its property interests in the Airport
- The management of the Council's non-operational (investment) estate and transactional work;
- An overview of the Operational Estate activity and Asset Management Programme;
- Progress with the Council's Carbon Reduction programme; and
- Updates in relation to Community Asset Transfers and Voluntary Sector Support and the Council's Heritage Estate.

Some of the key points that arose from the Committees discussions were:-

- Had the process of Community Asset Transfers (CAT's) slowed down and if so what was the reason for this;
- It would be useful if all Members of the Council were provided with details of buildings across the city that were still available for CAT's;
- Why was it envisaged that there would possibly be a need to progress sales of Council assets quickly if demand from investors and occupiers particularly in the residential, office and leisure sectors within the city centre remained strong;
- Clarity was sought as to what was determined to be "affordable" in the context of housing development within the city;
- It would be helpful in future reports to have a breakdown of the different types of housing provision being provided across the city;
- In relation to the proposed housing renewal scheme in Beswick, what was meant by the reprovision of all existing social housing tenants;
- Given the Council's exposure to the retail sector, with specific reference to Kendals and the Arndale Centre, was there any concern in relation to the retail performance of the city;
- What was the timescale for actual movement on the proposals for the redevelopment of Wythenshawe Town Centre;
- Why had the Council paid £37million to acquire Central Retail Park site but was selling a site in close proximity (Pollard Street) to this for significantly less;
- There was concern that there appeared to be a significant change to the proposals for the future use Central Retail Park which were different to the initial proposals for mixed use residential housing provision;
- There was concern in relation to the change in use of some new developments from initially residential provision to commercial provision and the possible shortage of homes for owner occupation;
- There was concern in relation to the delay in progress with Upper and Lower Campfield Markets;

- Clarification was sought as to whether the requirement to absorb vacant business rates liability within the Head Lease with the Arndale Centre was contained in any other Head Leases that the Council had and was there a risk to the Council with the creation of other high value retail propositions across the city that the Council would potentially need to absorb more of these;
- It was suggested that the Council received a future report detailing its heritage assets and how these could be enhanced; and
- Was there anything that had not gone as well as aniticpated.

The Head of Estates and Facilities confirmed that the process of CAT's had slowed compared to previous years and this had been as a result of less stock being available now and the stock that remained, was complex and required more work in terms of developing the businesses cases. The Deputy Leader commented that information was available on CPAD in relation to buildings that were available to a CAT but agreed to send this information directly to all Members of the Council.

The Strategic Director (Growth and Development) advised that in terms of the development cycle and the disposal of land and property, there was a clear view within the market that difficult times were approaching, which was being reflected in terms of land values in the city resulting from the uncertainty of Brexit and the country's global trading position. There was also evidence of land traders offloading land which was a concern. Taking a wider perspective, he reported that demand was still strong within the city for commercial space.

The Committee was advised that the Council had realigned its policy framework on housing and affordability so that this was now in line with the Council's new Affordable Housing Policy which was approved by the Executive in September 2019. In essence this meant that future disposal of land needed to promote properties for social rent, affordable rent and shared ownership. The Leader commented that the term affordable had been coined by Government and was used in a specific way and was a definition of affordability never accepted by the Council. Instead the Council determined affordability in the context of a family at or below the mean income for the city, were a maximum of 30% of income was spent on housing costs. He suggested that an alternative description of affordability should be adopted.

The Strategic Director (Growth and Development) advised that he would seek clarification form One Manchester in relation to the proposed reprovision of all existing social housing tenants in connection to the proposed housing renewal scheme in Beswick and provide a response to the Committee.

The Leader advised that the Council was due to meet with representatives of Kendals to discuss the future plans for the department store. In terms of retail in general, there were numerous national and international chains that were struggling, however, independent retail in the city was flourishing and there was also an increase in online businesses establishing a physical presence within the city, with reference Amazon Market Place and the Hut Group being given. Taking all this into account, it was considered that Manchester was able to offer a thriving retail offer. The Strategic Director (Growth and Development) commented that the impact of what was happening at a national level in the retail market was having an impact on the Council's income from the Arndale and Wythenshawe Town Centre. In terms of movement on the proposals for the redevelopment of Wythenshawe Town Centre, there was imminent discussion to take place with local members on the proposals.

The Strategic Director (Growth and Development) reported that both Central Retail Park and Portugal Street East schemes had been subject to independent valuations by agents and were very different schemes. The Pollard Street scheme had a major challenge in terms of development due to an operational tram line running through the centre of the scheme which placed a considerable impact on the valuation of the land in terms of development which was reflected in its valuation. It was also a low density scheme, whereas Central Retail Park did not have the same type of development challenges and was a higher density scheme. It was also commented that the value of Central Retail Park had been based on its current use a retail park. In terms of the proposals of Central Retail Park, he advised that the Council was in the final stages of preparing a strategic framework for the use of Central Retail Park which would submitted to a future meeting of Economy Scrutiny and that the Council had other land interest around Central retail Park which might be more suitable for future affordable housing provision

The Strategic Director (Growth and Development) advised that the broad numbers of proposed housing at a city level that were forecasted to be built as part of the Council's Local Plan and within the GMSF had not changed but acknowledged that the provision of owner occupied properties was an issue that needed to be looked at. The Leader gave an assurance that Deansgate Ward Councillors would be kept updated on the progress with Upper and Lower Campfield Markets and St Johns as they developed.

It was reported to the Committee that the requirement to absorb vacant business rates was bespoke to the Head Lease with the owners of the Arndale. It was acknowledged that if there was another major retail development in the city centre there would be a need for the Council to be cognisant of the potential impact this would have.

The Deputy Leader reported that a lot of heritage buildings in the city were not owned by the Council and therefore it was not possible for the Council to enhance these. The Chair advised that she would consult with the Chair of Communities and Equalities Scrutiny Committee about a future report on the governance structure of how heritage assets were looked after.

In terms of what had not gone so well, the Strategic Director (Growth and Development) advised that there will still outstanding issues around the Investment Estate over and above the issues in relation to the Arndale and Wythenshawe Town Centre and gave reference to complex issues around 103 Princess Street and Heron House which impacted on the Investment Estate.

Decision

The Committee:-

(1) Notes the report; and

(2) Notes that the Chair will consult with the Chair of Communities and Equalities Scrutiny Committee about a future report on the governance structure of how heritage assets were looked after.

RGSC/19/63 Annual Section 106 Monitoring Report

The Committee considered a report of the Strategic Director (Growth and Development), which provided information on the 2018/19 municipal year's activity in relation to S106 Agreements and specifically on associated financial obligations. The report also set out the legislative framework for negotiating S106 agreements, and updates on the Community Infrastructure Levy (CIL) and viability assessments.

The Executive Member for Environment, Planning and Transport provided a brief summary of the report. The main points and themes included:-

- During 2018/19 year, 16 S106 agreements were signed. Of these, seven related to the provision of affordable housing;
- A total of £966,865 had been received in S106 financial contributions and to date income collected in the current fiscal year was £907,878;
- There was currently £6.5 million held through received S106 contributions. Of this around £500,000 was awaiting to be reserved to projects;
- No refunds had been made during this period in relation to any financial obligation, however, there was one case where the financial obligation was now required and this was being pursued;
- Viability assessments were now submitted as part of the planning application and were publically available for inspection;
- The ability of Member engagement in the context of planning agreements;
- S106 governance arrangements, which included the establishment of a dedicated S106 Advisory Group to review spend, track process and help unblock any issues; and
- The Council continued to not implement CIL in Manchester at the current time. As part of the review of the Core Strategy (the development plan), consideration would be given to the introduction of CIL which would include assessing, if it is possible to establish an economically viable CIL rate and/or whether these could differ in different geographical areas.

The report also contained a breakdown of S106 agreements on a ward by ward basis.

Some of the key points that arose during the Committees discussions were:-

- Would it be possible for all Councillors to have access to the new viewing portal for S106 agreements;
- What was the exact process for Member engagement in the context of S106 agreements secured through the planning process;
- It was felt that on some occasions, Ward Councillors were not being made aware of potential S106 monies within their wards and clarification was sought on the co-ordination between the Planning Department and Neighbourhood Teams;

- It was suggested that some Members felt that S106 agreements had been determined by the time pre-application discussions were taking place and that due to this, they had little influence;
- It was queried as to how local residents could contribute ideas to S106 spend;
- Could the amount of S106 contribution increase if a development became more profitable than anticipated;
- Was there any timescale around a future decision on the possible implementation of a CIL;
- There was concern about assumptions being made between the S106 agreement and the source of spend as well as the length of time it was taking between a S106 agreement being made and the its implementation;
- It was suggested that it was not clear to Members who was responsible for ensuring the spend of S106 once an agreement had been secured through the planning agreements
- It was suggested that the Council's Member Development Working Group considered arranging refresher training for all Councillors on the S106 agreement process;
- Was there anything more the Council could do to achieve more S106 contributions from developers; and
- Had there been any instances where the Council had proposed a small S106 contribution than that identified from the viability assessment.

The Director of Planning, Building Control and Licensing advised that it was the intention for the new viewing portal for S106 agreements to be accessible for all Councillors by the beginning of December 2019. In terms of Member engagement in the context of S106 agreements secured through Planning, it was reported that pre application engagement was key and although not mandatory, all developers were encouraged to undertake this. Once a planning application was submitted, every Member was provided with details of these applications relevant to their ward and were encouraged to contact Planning to discuss the S106 proposals in relation to these applications.

The Committee was advised that the dedicated S106 Advisory Group was led by the Director of Planning, Building Control and Licensing and had strategic leads from Neighbourhoods and Planning as part of its membership to ensure that appropriate governance arrangements were in place.

It was explained that when the Council entered pre-application discussions with developers it was inevitable that discussions around mitigation measures would take place and this would include whether this could be achieved by way of a planning condition or through a S106 agreement and at this stage, no final decision would be taken. Once an application was submitted, officers constantly reviewed, assessed and evaluated what may be required and up until the point of issuing a Planning committee report, Members and residents had the opportunity to make comments as to whether they felt a requirement for a S106 contribution was needed in relation to an application. This was caveated with the point that there would be some limitations as to what a S106 agreement could be used for.

In terms of the ability to increase the amount of S106 contribution from a profitable development, the Council now introduced a reconciliation process which enabled the

Council to retest the viability of every S106 agreement it entered into for a financial contribution and had embedded a claw back provision to enable the Council to seek further S106 contributions from a developer if there had been an uplift. In relation to CIL, the Director of Planning, Building Control and Licensing advised that at present there was no timescale for the introduction of CIL in Manchester but this would be considered as part of the development of Manchester's Local Plan. This would not be a straight forward decision and due to the complexity, it would take some time before a decision was taken as to whether to implement this in Manchester.

The Director of Planning, Building Control and Licensing acknowledged that there was a number of S106 agreements that were now quite old in terms of when these agreements had been made, however, over the last 12 months a risk review had been undertaken for these agreements and it was reported that none of the S106 agreements were in danger of the financial contributions being returned to the developer. It was agreed that in future reports dates would be included in the as to when consents were granted and dates S106 agreements were signed. The Chair asked that this information be added to the Ward Information data and circulated to all Members within the next month.

The Director of Planning, Building Control and Licensing acknowledge concerns raised and commented that the establishment of the S106 Advisory Group and new governance arrangements as detailed in the report sought to address these concerns. It was also reported that the Council's Internal audit had been asked to undertake a complete review of the new governance arrangements. The Chair suggested that the Committee received an update report following Internal Audit's review.

It was reported that at the present moment it was difficult to identify and further scope where the Council could seek further S106 financial contributions as all viability information was now published in the public domain and the Council already negotiated strongly with developers. Furthermore it was reported that the Council had been no instances where the Council had proposed a smaller S106 contribution than that identified from the viability assessment.

Decisions

The Committee

(1) Notes the report; and
(2) Requests an update report following Internal Audit's review of the new S106 governance arrangements and that this report includes the following information:-
    - An indication of affordable housing being provided from S106 contributions
    - How Developers are encouraged to mitigate any harm from their developments
    - Best practice and comparison of S106 arrangements with other GM local authorities; and
    - The S106 triggers for planning applications within the Deansgate Ward (Land Bounded By Chester Road, Mancunian Way And Former

Bridgewater Canal Offices and Land Bounbd by Jackson Row, Bootle Street, Southmill Street and 201 Deansgate.

(3) Requests that when the update report is considered, representatives from Neighbourhoods and Capital Programmes attend to help address the Committees concerns around the rate of spend of S106 agreements.

RGSC/19/64 The Factory, St John's

The Committee considered a report of the Strategic Director (Growth and Development), which provided an update on the construction progress for The Factory project, its significance in terms of cultural impact within the city, the projected social and economic benefits, legacy impacts and opportunities for Manchester residents generated by the project.

The main points and themes within the report included:-

- To date progress had been good, with 11 of the 32 work packages having been let, the most visible of which were the steelworks;
- A number of key successes were highlighted including the substantial completion of the towers steelwork, the installation of the concrete stairs and the lift shaft erection. The truck lift enclosure and orchestra pit had also been 'topped out' and structurally completed;
- The project team were working to achieve the earliest, most cost effective completion date, with the Factory due to play a significant role in MIF 2021, however the most significant challenge remained the complexity of the project;
- Additional issues had been discovered on site including drainage issues due to incomplete data which had put some pressure on the project;
- The project was currently going through the next quarterly review with Arts Council England. A cost and design review had also been commissioned to underpin the next phase of delivery with the Mechanical, Electrical and Plumbing (MEP) being the next major work package to be let;
- Details of social value commitments to date, including the number of apprenticeship starts, pre-employment schemes or placements focusing on long term unemployed groups and employability skills support activities;
- A broader piece of work was also being undertaken into the construction market and inflationary pressures within Manchester as this was a concern across the capital programme; and
- Whilst as this stage the project was reported as delivering to budget, the situation was being kept under careful review.

Some of the key points that arose from the Committees discussions were:-

- Concern was raised in relation to the engagement by the Management Contractor in permitting access to the site for Unite and Trade Unions, in light of the Council's signing of the Unite Construction Charter;
- Members sought further detail in relation to the additional drainage issue identified in the report;
- What financial contingency existed within the total cost of the project to take account of these additional issues and inflationary pressures surrounding the construction market;

- In terms of apprentices, could the Committee be provided with information on how many had actually started working on the project and how many of these were Manchester residents; and
- Could Officers give an assurance that there would be no need for any further capital investment into the project

The Director of Capital Programmes advised that he met regularly with Unite, officers within Procurement and the Management Contractor's Project Director, to discuss protocols around site access for Trade Unions. It was reported that it had been agreed that the protocols for Trade Union access to the site would replicate those protocols applied to the construction of Liverpool Hospital (which was another development overseen by the same Management Contractor), however, he had been advised that negotiations around this between Unite and the Management Contractor had broken down and as a result he had contacted Unite to understand their issues and had committed to meeting with the Management Contractor and Unite to try and identify and agree a resolution.

In relation to the additional drainage issue, it was explained that following intrusive surveys of the site it was identified that drainage of an adjacent site (owned by Allied London) was actually coming on to the Factory site which had not be identified in any groundwork drawings. Consequently adjustments were needed and the Council had formally written to Allied London to suggest that the cost of these adjustments were borne by them rather than the Council. It was also reported that following ground excavation, contamination had been found, which was not unusual for a brownfield site, but required additional unplanned work to remedy.

The Director of Capital Programmes advised that the original contingency for the project was circa £4.1m and it was acknowledged that this was currently under some pressure. Reassurance was given that the agreed budget was being monitored regularly and all efforts were being made to deliver the project on budget. In terms of inflationary pressures, it was explained that at present, the demand in the Manchester construction market outstripped supply and as a result complex project such as the Factory were not as appealing to the supply chain as more simpler projects. As such some of the supply chain were less active in some of the key components of the factory.

The Chair suggested as well as information on apprenticeship starts being sent to Members of the Committee, a report should be submitted to the Ethical Procurement Sub Group on apprentices, including the gender breakdown and BAME background and the issues that had occurred between the Management Contractor and the Trade Unions.

Furthermore, the Director of Capital Programmes advised that it was not possible to give an absolute assurance there would be no need for any further capital investment due to the nature and complexity of the project. Only 11 of the 32 works packages had been let so far and the Council was still in design and negotiation with the supply chain on some of the remaining packages of work. He did advise that this was being monitored closely and steps had been taken to reduce some of the cost and inflationary pressures.

Decision

The Committee notes the report.

RGSC/19/65 Progress of Expenditure - Northern and Eastern Gateway Programmes

The Committee considered a report of the Strategic Director (Growth and Development), which provided a progress update in relation to investment being made by the Council in delivering the Northern and Eastern Gateway programmes, which in total were anticipated to deliver in excess of 21,000 new homes over a 15 – 20 year period and create or safeguard 2,200 jobs.

The main points and themes within the report included:-

- Budgetary allocations of £25m (Northern Gateway) and £47m (Eastern Gateway) had been made available from the Capital Programme 2017 – 2022 to help unlock and maximise the potential of these areas;
- The scale of the Northern Gateway opportunity and associated challenges;
- Details of the investment to support both the Northern Gateway and Eastern Gateway initiatives, including co-investment with joint venture partners;
- Progress to date in terms of expenditure, including the acquisition of Central Retail Park and The Courtyard at Royal Mills; and
- Detail of remedial works undertaken around New Islington Marina.

Some of the key points that arose from the Committees discussions were:-

- What would be the consequence to the Council should the bid for £51.6m from the Government's Housing Infrastructure Fund, to tackle constraints to development in the Lower Irk Valley neighbourhood, be unsuccessful;
- Clarification was sought as to whether the bid for £51.6m from the Housing Infrastructure Fund was by Manchester City Council or whether this was a bid on behalf the Combined Authority;
- Was there still a proposal for a new tram stop within the Northern gateway programme; and
- If the bid to the Government's Housing Infrastructure Fund was unsuccessful, would this impact on the ability to deliver the target of 20% affordable housing (equating to 3000 properties) within the Northern Gateway programme.

The Committee was advised that the Council was remaining optimistic in terms of the outcome of the bid submitted. The Council had been in detailed negotiations with Homes England for a significant period of time and had been through a detailed process of due diligence in relation to the bid. However, should the bid be unsuccessful in part or whole, the Council had identified a range of scenarios as to how the Council would intend to progress with both programmes. The Leader added that in the event of the bid being unsuccessful the likely impact would be that the development programme would be lengthened in terms of completion rather than scaled back or abandoned.

The Leader advised that the £51.6m bid was originally a joint between Manchester Council and Salford Council, supported by the Combined Authority, but having taken advice from Government, the Council had separated its bid from Salford's bid, as it was suggested that this would result in a higher chance of both bids being successful.

Officers explained that the Transport Strategy for 2040 still proposed a new tram stop within the Northern Gateway programme and the Council was in discussions with TfGM around a pre-feasibility study.

The Leader explained that within the Strategic Framework for the Irk Valley and Collyhurst area of the Northern Gateway, the Council expected that at least 3000 properties would meet the Council's definition of affordability. There would be a number of controls in relation to this, the most important being approval by the Executive of the Business Plan, which would be required to provide detail on how the Council intended to deliver this number of affordable homes.

Decision

The Committee notes the report.

RGSC/19/66 Capital Requirements and Anticipated Borrowing

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which informed Members of the Council's capital financing position, forecast borrowing, and the impact on the Council's balance sheet and revenue budget. The report also reviewed the changes to Public Works Loan Board (PWLB) borrowing rates announced in October 2019.

The main points and themes within the report included:-

- The context of the Council's approach to managing its debt, which had been to minimise cash balances by delaying taking external debt;
- Changes in internal borrowing to create revenue savings compared to the cost of externalising the debt and holding cash;
- Interest rate expectations over the next three years;
- An overview of the Council's borrowing strategy, which was based on aggregating the debt needs of the Council to achieve the optimum risk balance in debt management;
- The forecast borrowing requirements from 2019/20 to 2023/24;
- Revenue implications of new debt for the medium term; and
- The impact and potential future implications to the Council in relation to the PWLB rate policy change.

Some of the key points that arose from the Committees discussions were:-

- Rather than increase the PWLB rate, could Government not have tightened the rules up in regards to public sector borrowing;
- As the PWLB rate had historically been low, had the Council and other local authorities simply become accustomed to borrowing at a low rate of interest;

- How was the Council lobbying Government to review the change in the PWLB rate;
- Which regeneration schemes, where a return on investment was expected, were likely to be affected by the change in the PWLB policy;
- What was the Council's borrowing cost in terms of the potential impact on the revenue budget;
- Had any potential equalities impact been taken in to consideration in connection to borrowing costs and the increased impact on the Council's revenue budget, which was largely spent on groups with a protected characteristic; and
- What were the benefits and potential drawbacks for potentially borrowing from the private sector in the future.

The Leader advised that the 1% increase of the PWLB borrowing rate was unlikely to stop local authorities investing in certain ventures, but more likely it would have an impact on more marginal schemes such as affordable housing taking place and as such he felt this was a counterproductive measure.

The Deputy City Treasurer advised that the Council had become used to borrowing money at a low rate of interest, however, she provided an assurance that when the Council set its capital programme, it was set against the slightly higher PWLB rate towards the end of 2018, to ensure that the existing capital programme was predominantly budgeted for at that time, meaning that the programme remained affordable. The consequence of the increase in the PWLB rate was the impact on the viability of any future schemes.

The Committee was also advised that in terms of lobby government, the City Treasure had contacted a number influential organisations, including a number of other Local Authorities and the LGA, to enable a concerted response to the proposed increase. As well as this the City Treasurer had spoken to HM Treasury and the Department for Communities and Local Government to seek an explanation and the reasons for the increase.

The Leader advised that in terms of regeneration schemes likely to be affected, this would likely relate to any future schemes where the Council was required to invest. He also advised that in terms of borrowing costs, there were two elements that needed to be taken into account, the minimum revenue provision and interest. The totality of this was that in any given year the Council repaid approximately 4.5% of its total borrowing. Due to the way the Council set the interest when it fixed its capital budget, it meant that the Council would likely need to increase its revenue provision in 2021/22.

The Deputy City Treasurer reported that as part of the business cases for capital investment, a number of factors would be considered, including strategic fit, economic case, social value outputs and carbon implications and the impact on equalities would be built into part. It was suggested that going forward this could be something that was looked at more explicitly in future business cases for investment proposals.

Furthermore, the Committee was advised that the Council had always borrowed from the PWLB due to the ease of which loan funding could be accessed and good interests rates. At the present moment the Council was waiting to see how the other market participants responded to the PWLB increase in relation to how local authorities could access borrowing and associated restructure payments.

Decision

The Committee notes the report.

RGSC/19/67 Overview Report

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit, responses to previous recommendations. Members were also invited to agree the Committee's future work programme.

Decision

The Committee notes the report.